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C O N F I D E N T I A L SECTION 01 OF 05 CARACAS 001169

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SUBJECT: IS CHAVEZ LOSING IT?

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Classified By: POLITICAL COUNSELOR ROBERT R. DOWNES FOR 1.4 (D)

Summary

11. (C) Venezuelan President Hugo Chavez' rhetoric has always been radical. Yet, up until the last six to 12 months, he reserved his most extreme statements for domestic audiences. Lately, he has flown off the handle in front of international microphones. He has criticized regional counterparts who in the past he attempted to court. He has even lashed out at his own domestic supporters. Meanwhile, his claims that the United States is trying to assassinate him or to invade Venezuela have continued. Although there is some evidence that elements of the Venezuelan Government question his reactionary harangues, his most senior advisers mimic his radical rhetoric. Whether his attempts to circle the wagons around a smaller, more radical group of countries is a calculated strategy or a frustrated reaction to the region's refusal to embrace him as its leader is unclear. We do not know whether Chavez' job is getting to him, but his public antics are making him appear increasingly on edge. Whatever the cause, we can take advantage of his volatile behavior. Creative U.S. outreach to Chavez' regional partners will drive a wedge between him and them. Through his relationship with Iran, Chavez' appears to have begun to alarm countries untroubled by his anti-U.S. rhetoric on his

own. As international attention--especially from us--feeds Chavez' ego, we need to be circumspect in choosing which of his outbursts to respond to.

International Audiences Get Dose of the Real Chavez

¶2. (U) Chavez used to moderate his rhetoric when he spoke before international audiences. Over the past six to twelve months, however, he has spouted in foreign venues the invective he once reserved for speeches to his hardline domestic supporters. Chavez began a "Nightline" interview in September 2005 by trying to appear kindhearted toward the American people. He claimed close ties to former President Clinton and said he wanted to kneel in prayer with Americans.

In response to Ted Koppel's pointed questions, however, he eventually accused the United States of having plans to invade Venezuela and said "Mr. Bush's administration" was the only government "on the face of the earth" with which he lacked good relations. At a speech at the U.N. General Assembly the same month, Chavez accused market-oriented economic policies espoused by President Bush of sowing "misery, inequality, and infinite tragedy for all the peoples on the continent." He accused Washington of attempting to overthrow him in 2002, of organizing Venezuela's 2002-03 national strike, and of tolerating international terrorism. Perhaps Chavez' most well publicized example of radical and undiplomatic behavior occurred in November 2005 on the margins of the Summit of the Americas in Mar del Plata, Argentina. Chavez and a stadium full of adulating supporters jumped up and down in a rally against President Bush and the Free Trade Area of the Americas (FTAA). Chavez began chanting, "to hell with FTAA." He recommended that his colleagues "stay away from President Bush" because meeting

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with him was "bad luck." He reiterated the claims he made on "Nightline" that he had proof of U.S. plans to invade Venezuela. At an April 19 meeting in Asuncion with his Bolivian, Uruguayan, and Paraguayan counterparts, Chavez threatened to blow up Venezuelan oil wells if the United States attacked him. During an April 23, 2006 BBC interview, Chavez repeated most of the accusations he made at the multilateral events, although he again distinguished between his love for the American people and his condemnation of President Bush. He claimed that "combatants" throughout the region would defend him if the United States attacked Venezuela. He extended his criticism to British Prime Minister Tony Blair, calling Blair a "frustration" to the British left who kneeled to the demands of Washington.

Isolating Friends

¶3. (U) After Chavez dubbed Prime Minister Blair "Bush-Hitler's main ally" and lambasted him publicly in February 2006, we reported that Chavez had been increasingly isolating world leaders other than President Bush (REF A). This trend has continued. Not only has he continued to disparage Blair, but he is also still criticizing Latin American presidents. Chavez withdrew Venezuela from the Andean Community of Nations (CAN) in late April, blaming his counterparts in the process. Chavez said Peruvian President Alejandro Toledo and Colombian President Alvaro Uribe "killed the CAN" by signing free trade agreements with Washington. "Let's not waste time reviving (the CAN). Let's bury it...," he said. After his remarks touched off a war of words with left-wing Peruvian presidential candidate Alan Garcia, he managed to incite another diplomatic incident by insulting outgoing Peruvian President Toledo (SEPTEL).

They're Trying to Kill Me

¶ 4. (C) Chavez warns the public on a regular basis that the United States plans to either attack Venezuela or to assassinate him. Most recently, he alerted his weekly "Alo Presidente" program listeners on April 23 that Washington could use an unspecified "grave event" that could occur during one of the U.S. Ambassador's future trips as an excuse for invading Venezuela. Chavez appears to believe his own rhetoric. Former Science and Technology Minister Carlos Genatios told poloff that Chavez once summoned him in the middle of the night because the President had received a report about an imminent earthquake and was concerned the United States would drop a bomb to stimulate such a disaster.

DAO reporting indicates that Chavez' personal security measures are extensive. In particular, DAO observed greatly increased presidential security and an exhausted and withdrawn Chavez during two events at Venezuela's military headquarters (Fuerte Tiuna) in July 2005. The Venezuelan representative for an armored clothing firm told reporters Chavez has a large supply of bullet-proof jackets, raincoats, and his signature red sport shirts, which cost USD 2,500 apiece.

The Leader is Talking to You!

¶ 5. (U) Even in the domestic context, where Chavez is typically masterful and totally in charge, the BRV President has appeared brittle. Chavez appeared to snap when a group

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of poor Venezuelans, who tend to support Chavez, interrupted a February 9 ceremony commemorating a new "endogenous development nucleus," that is, a group of state-sponsored cooperatives. Chavez responded to picketers demanding a meeting with the President to demand housing by insisting, "the leader is talking to you!" Continuing to refer to himself in the third person, he asked, "don't you think the leader deserves respect?" Chavez also accused the group of sabotaging the event on behalf of an opposition party. He said their problems would be addressed afterwards, but he couldn't "divide himself in three."

Don't Mention the Emperor's Clothes

¶ 6. (C) DAO reporting indicates Chavez' advisers have a mixed assessment of his reactionary diatribes (REFS B, C, and D). According to one report, some administration officials praise Chavez' rants. Additional DAO reporting indicates concern among other Chavista officials that the President is losing the confidence of the public with his alarmist discourse.

¶ 7. (C) If Chavez' most senior officials are aware of the concern, they choose to ignore it. No one is willing to give Chavez bad news, much less criticism. Instead, senior officials often parrot Chavez' radical line. Pro-Chavez tabloid Diario Vea's "Martian" column, widely thought to be written by Vice President Jose Vicente Rangel, repeated on April 25 Chavez' mantra that President Bush's government is the "most immoral" in the world. The Martian added that President Bush "surrounded himself with scum." Chavez' chief exponent of military doctrine, Maj. Gen. Alberto Mueller Rojas, told reporters the BRV did not make up the idea of a U.S. invasion. Rather, it was preparing to defend the homeland. Defense Minister Orlando Maniglia criticized the press for reporting that he was "not worried" about the visit of the U.S.S. George Washington carrier group to the Caribbean. Maniglia said his office remained alert to "protect territorial waters" from external forces interested in Venezuelan territory.

¶ 8. (SBU) The extremism of some senior BRV officials may

even help fuel Chavez' radical behavior. Chavez has surrounded himself with officials with violent, radical backgrounds. Vice President Jose Vicente Rangel is rumored to have smuggled arms to Venezuelan communist guerrillas movements active during the 1960s and 1970s. The heads of the BRV "Moral Power"--Attorney General Isaias Rodriguez, Comptroller General Clodosbaldo Russian, and Public Defender German Mundarain--are all ex-guerrillas. Supreme Court President Omar Mora Diaz is a former urban guerrilla. Foreign Minister Ali Rodriguez was also involved with Venezuelan insurgents, and Anzoategui Governor Tarek William Saab has links to Islamic terrorist activities. Many other senior Venezuelan military and government officials were involved in Chavez' coup attempt in 1992.

¶9. (C) Another partial explanation for Chavez' increasing radical rhetoric is that Chavez no longer appears to consult with technocrats and experts outside his inner circle. As a presidential candidate in 1998, Chavez consulted on a fairly regular basis with Jose Toro Hardy, a noted commentator and PDVSA board member, on oil policy. At one point during the campaign, when Chavez advocated the sale of Citgo, Toro Hardy had a lengthy conversation with him about the merits of keeping the company. Chavez promptly backed away from his earlier comments. Although Toro Hardy is now clearly

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identified with the opposition, Chavez has also backed away from technocrats and experts who are basically non-political. For example, oil expert Hugo Hernandez, an external PDVSA director until January 2005, has maintained excellent ties with the BRV and opposition but no longer appears to have access to Chavez (REF E). Chavez' isolation from technocrats and experts extends beyond the petroleum sector. Jose Rojas, an adviser to the President of Banco de Venezuela with impeccable credentials, served as a senior Finance Ministry official in the early days of the Chavez administration but no longer has access to senior BRV policymakers.

Could His Radicalism be Calculated? An Alternative View

¶10. (SBU) Chavez' radicalism may be calculated rather than reactionary. That his discourse itself has become more extreme as his audience has expanded suggests either a change in Chavez' ideology or, more likely, a radicalization he had planned all along. For example, Chavez hinted in November 2004 that his revolution would become more radical. In a speech outlining his "New Strategic Map" at Fuerte Tiuna, Chavez said, "It's not that those proposing (communism and eliminating private property) are crazy, no. It is not the right time." Chavez did not begin using the term "socialist" to describe his "revolution" until early 2005. Now, "21st century socialism" is his movement's ubiquitous slogan.

¶11. (C) Chavez may view turning international as the natural progression of his revolution. Hiram Gaviria, Chavez' former Ambassador to France, sketched out for us five phases of Chavez' movement, noting that we were now in the "internationalization" period. Indeed, since Chavez has neutralized his opposition, he may now be turning to others daring to cross him. (Such an outlook would help explain why he turned on his own supporters during the "endogenous nucleus" ceremony.) He may also wager that his tough behavior plays well domestically, even though it may appall the diplomatic community.

¶12. (C) If Chavez truly does fear a U.S. attack, his provocation of Washington by supporting Iran's nuclear agenda seems counterintuitive. Yet, Chavez may be hedging his bets by prioritizing ties to countries he regards as most likely to help him in the event of an invasion. The most reliable allies, he may wager, would be other likely targets of U.S. military action, such as Cuba and Iran. According to DAO reporting, a senior Venezuelan government official reported

that Chavez believed the United States would attack Iran, North Korea, and Venezuela. With Cuba, at least, Chavez may already have some sort of mutual defense agreement. He announced April 21 that if the United States attacked Cuba, "Venezuelan blood would run" in Cuba's defense. Although Chavez said he expected soldiers throughout the region to defend Venezuela, he may suspect the loyalty of his Latin American counterparts. A presentation on military doctrine obtained by poloff that was apparently prepared by the Venezuelan armed forces in around 2003 (SEPTTEL) mentions as a possible conflict scenario a NATO invasion of Venezuela justified under the mandate of the OAS.

Comment

¶13. (C) Are Chavez' actions political maneuvers or knee-jerk responses? The truth is probably somewhere in between. If Chavez is not losing his mind, he may be at

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least losing his touch. Even if Chavez' radicalism is calculated, his outbursts are likely to continue. His government, unable to meet his increasingly ambitious demands--such as 10 million votes, 1.5 million hectares of redistributed land, and two million military reservists--is likely to frustrate him even more. The protesters' demands for Chavez' attention show that Chavez is beginning to reap what he has sown by centralizing decisionmaking and trying to show he can answer all of Venezuela's problems personally. Meanwhile, we can exploit Chavez' gaffes, which appear increasingly juvenile--or in the case of Iran, dangerous--to the international community. Chavez's actions suggest that he views other countries' involvement with Washington as a type of betrayal. Consequently, U.S. involvement in Latin American military exercises and meetings help drive a wedge between Chavez and the region. Successfully inked U.S. trade agreements are already causing him to lash out against his regional counterparts.

¶14. (C) Chavez' narcissism can not be overestimated. Part of his self-worth derives from the amount of international attention he receives. That Time magazine named Chavez one of the 100 most influential people probably set his world on fire. With this in mind, we should not respond to every one of his nutty remarks. By refusing to take each of Chavez' outbursts seriously, we frustrate him even more, paving the way for additional Bolivarian miscalculations. We also allow room for other international actors to respond.

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